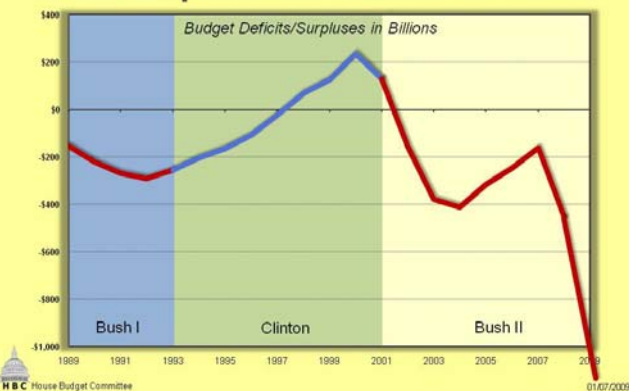


DEMOCRATS CAUTIONED GOP NOT TO SQUANDER SURPLUS – AS USUAL THEY SAID "NO"

After eight years, Republicans' irresponsible spending turned a record surplus into huge deficits and debt, and left our nation with record deficits for years to come. As President Bush took office, Democrats cautioned that we shouldn't spend the entire surplus left by the Clinton Administration because some should be set aside in case of unanticipated circumstances. Instead, the Republican Congress and Bush Administration ignored those warnings, squandered the surplus, and created record deficits and debt that make confronting the recession far more difficult. When the economy is thriving, it is the government's responsibility to save for the future; but when the economy is struggling, the government needs to spend wisely to help it recover. As a result of the Republicans' failed policies, our economic recovery is going to be much more difficult than it needed to be had we saved when we had the opportunity.

Record Deterioration on the Budget Under Republican Administrations



When the Country had a Surplus, Democrats Urged Republicans to Be Cautious

“We do not have the surplus Members are talking about here. First of all, we are talking about a tax cut based on a budget we have not seen, on a surplus we cannot guarantee.” – Speaker Nancy Pelosi, 3/8/01

“The only prudent thing to do is to use the lion's share of the projected surplus to pay down the debt and begin to prepare Medicare and Social Security for the retirement of the baby boomers.” – Rep. Jim McDermott (D-WA), 3/28/01

“We should have a budget in place before we start either spending or cutting revenue. We need to protect Medicare, Social Security, we need to pay down the debt, and we need to make sure there is money for our children's education, health care costs and energy bills.” – Rep. Gene Green (D-TX), 3/8/01

“This [tax] bill would compromise our ability to pay off the national debt. And it would make it impossible to meet the obligations both parties have made without a high and unacceptable risk of deficit spending.” – Rep. David Price (D-NC), 3/7/01

Instead, Republicans Opted to Ignore the Potential Fiscal Impact of Its Policies

“We can proceed with tax relief without fear of budget deficits, even if the economy softens. Projections for the surplus in my budget are cautious and conservative.” – President George W. Bush, 3/27/01

“Tax increases did not cause the surplus; and tax cuts will not cause a deficit.” – Rep. Mike Pence (R-IN), 2/7/01

“[T]ax cuts do not cause deficit spending; spending causes deficit spending...Common sense says the best way to pay down the debt and to keep these surpluses going is to keep our economy strong, and that is what this tax relief bill is about.” – Rep. Kevin Brady (R-TX), 3/28/01